

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

50X1-HUM

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COUNTRY	Hungary	REPORT	
SUBJECT	Finommechanikai Vallalat (Precision Mechanics Works) in Budapest	DATE DISTR.	3 FEB 1964
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1. The Finommechanikai Vallalat (Precision Mechanics Works), whose production is limited to electronic equipment for military purposes, is situated at No. 10 Feher U., Budapest X, on the outskirts of the city about three kilometers from the Central Railroad Station. The plant's foreign correspondence address is Keleti Posta 145. It was under control of the Ministry of Heavy Industry from 1950 to 1962, when it became subordinate to the military.
2. When the plant began operation in 1950, its first workers and experts came from the well-known, long established "Gamma" works in Budapest. The plant now has between 3500 and 4000 civilian employees, including administrative personnel. About 30 percent are women between the ages of 20 and 30, who operate the machines as well as handle administrative duties.
3. A permanent military representation, known as the "KUM",¹ consists of about 30 uniformed officers who inspect individual components prior to assembly as well as finished products. These officers are primarily engineers and hold the rank of captain or major. They wear identical uniforms with red shoulderboards and a red band around the cap.
4. Military missions from the USSR, Poland, Czechoslovakia, Rumania, East Germany, and Bulgaria frequently visit the plant. The employees know that a large percentage of output is intended for export to these countries; in 1962, most of it was shipped to Czechoslovakia, and the major part of planned output for 1963 has also been earmarked for Czechoslovakia. A Czech military mission spent two months, from December 1962 until the end of January

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1963, at the plant in order to take over products purchased by Czechoslovakia.

5. The plant, which occupies an area of 600-700 by 300-400 meters in a thick forest, is surrounded by a two-meter high brick wall. Six watch towers surround the plant, with one at each corner of the brick wall. Employees are not allowed to move from one department to another without a special permit, and access to the assembly department is limited to persons working there. The plant guards wear dark blue uniforms and are under the Security Service.
6. Most of the plant's machinery is concentrated in the Machine Shop:
 - a. Seventy lathes, mostly Czech "Mas" and "Tos" (formerly "Volman") models
 - b. Thirty presses, mostly Czech and German models
 - c. Three precision German drilling machines, one a "W.M.W." model
 - d. Thirty automatic lathes and capstan lathes, some of them Swiss made
 - e. Ten Swedish and German milling cutters for gear wheels, one of them a special German machine, which was recently purchased via Switzerland
 - f. Ten Czech, German and Hungarian grinding machines
 - g. Two universal lathes, one Czech and the other from Poland
 - h. Two lathes with horizontal face plates.
7. All the production departments of the plant work two shifts, except the shop making plastic parts, which operates in three shifts. The respective shifts begin at 6 a.m., 2 p.m., and 10 p.m. The administrative department of the plant works from 7 a.m. until 4 p.m.
8. The plant produces the following equipment:
 - a. The "Ipoly" early warning radar set, which is based on Soviet blueprints, consists of a large closed "Zis" van with a diameter of 1.5 meters, and is 2 millimeters thick. A copper tube, about 100 millimeters long, which is slightly shorter than the depth of the "Dish," protrudes from the center of the "Dish." The van and antenna are painted olive green, and the antenna is attached to a cast iron rod by a swivel which allows it to rotate. These radar sets have a range

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capability of 300 kilometers and a height capability of 10 kilometers. During 1961 and 1962, the plant produced about 60 "Ipoly" sets per annum, a large number of which were exported to other Bloc countries. At the beginning of 1963, production of the "Ipoly" set was stopped, and the plant did only repair work on those sets.

- b. An electrical device known as "Automatika", with the code name "S-7," is apparently an artillery fire-control radar. It consists of several components, the most important of which is a cast-aluminum box, approximately 60 by 60 by 30 centimeters, containing various instruments and two glass "windows" on the upper side. One part of the "S-7" receives all the data from the "Ipoly" early warning radar and then automatically lays the attached gun. One "Ipoly" set simultaneously operates 30 "S-7" devices, in other words, 30 antiaircraft guns. The plant produced 400 "S-7" artillery fire-control units during 1962, and the production plan for 1963 calls for an increase in output to 600 units.
 - c. The "Kesztely" mobile telephone exchange, which has 400 extensions, is installed in a "Zis" van. Experimental production was started in mid-1962, and the program for 1963 called for an output of about 300, most of which were to be exported to Czechoslovakia.
 - d. The "MRO" television and telephone relay station (Mikrovel Radio Oszekoto), which had a capacity of 300 simultaneous conversations, consists of three cases, each approximately 2 by 1.5 by 0.60-0.70 meters. Numerous rectangular pipes of various shapes, but with identical internal dimensions of 29.08 by 58.17 millimeters, are in each of these cases. The entire station, including cases and internal pipes, is of copper. The plant is the only enterprise in a Communist country that makes these relay stations, and it produces them for the entire Bloc. Production of these stations was begun in 1961 and has since reached a rate of 50 stations a year.
9. In addition to these main products of the plant, the output includes various radio electronic devices for radar and radio equipment which are not classified as secret and which are sold to both Western European and Bloc countries.
 10. The models of the plant's early warning radar stations were changed almost every year. The first early warning radar station, "Drava", consisting of three vans, was replaced by the "Duna", which had two vans, and which was in turn replaced by the "Ipoly". On the other hand, the production of the "S-7" device has remained unchanged since the plant began operations in 1957.

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11. In fall 1963, there was discussion at the meetings of the plant management about linking its production to the Hungarian missile industry. [redacted] 50X1-HUM

12. [redacted] following officials of the Finommechanikai Vallalat:

a. Andrejevics (fnu) : Chief Accountant 50X1-HUM

b. Csek (fnu) : An electrical engineer in the technical department [redacted]

c. Mihaly Kapornai : General manager since 1956. [redacted]

d. Szolgai (fnu) : Chief engineer. 50X1-HUM

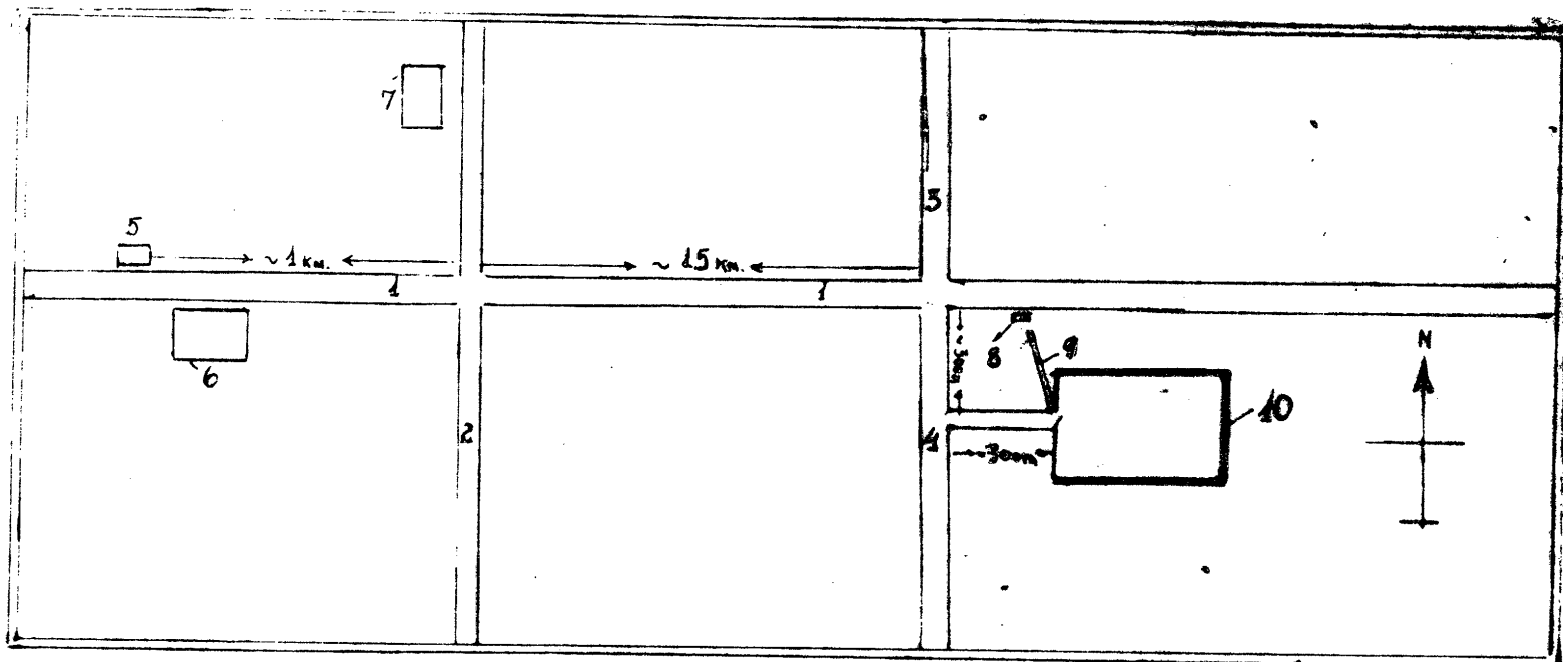
13. [redacted] two sketches, one showing the location, and the other the layout, of the Finommechanikai Vallalat; legends are included with the sketches. 50X1-HUM

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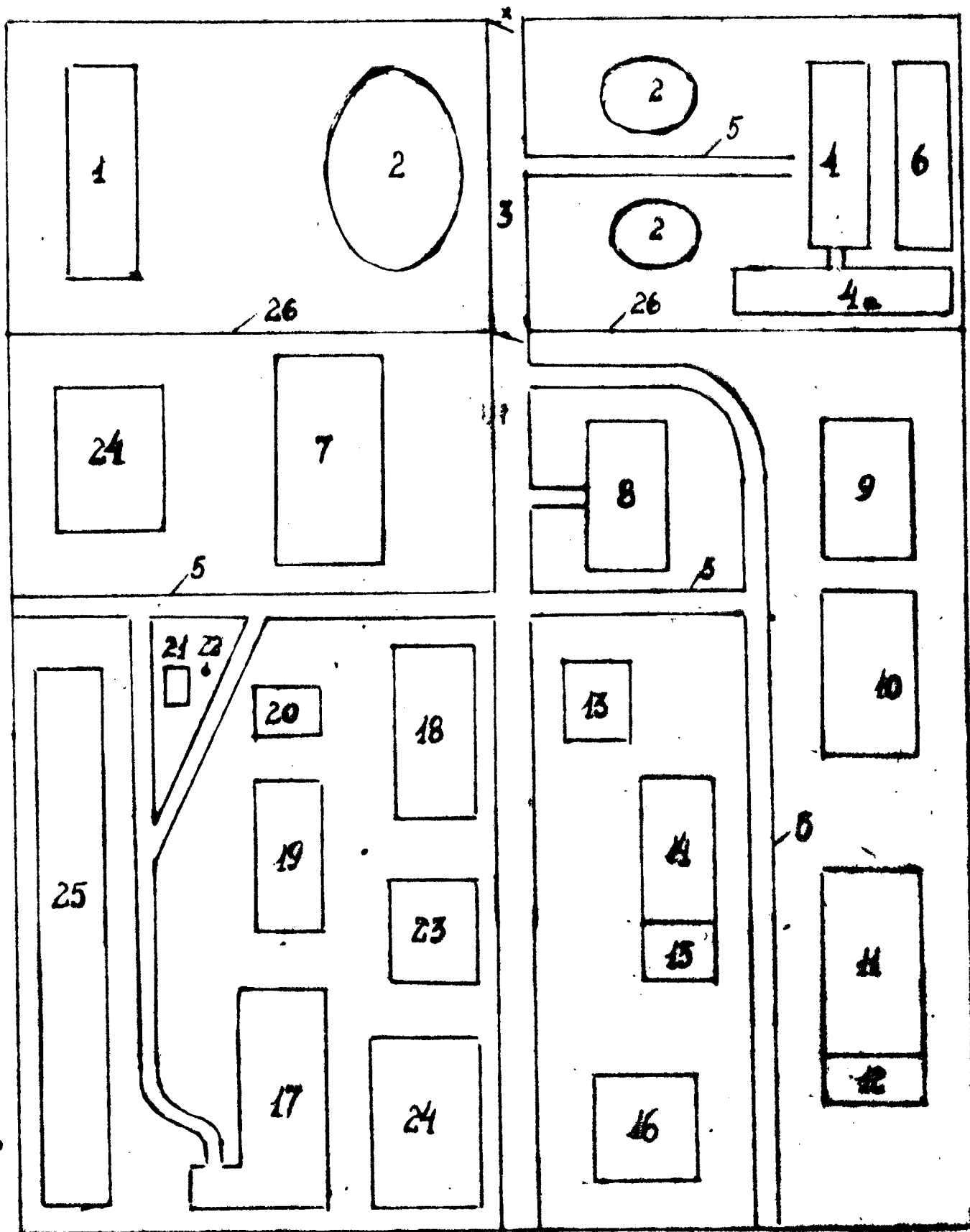
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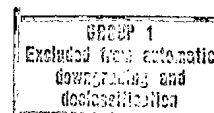
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APPENDIX A: Legend to Location Sketch of the Finommechanikai Vallalat

1. Kerepesi U
2. Hungaria Korut
3. Nagy Lajos Kiraly U (Budapest XIII)
4. Feher U. (Budapest X)
5. Budapest Central Railroad Station
6. The Hippodrome
7. The main Budapest stadium
8. Public bus station
9. Dirt track for pedestrians, used by workers of the plant
10. Finommechanikai Vallalat

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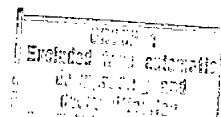


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APPENDIX B: Legend to Layout Sketch of Finommechanikai Vallalat

- X. Sole entrance to the plant
1. The canteen is on the first story, and a clubroom and library are on the second story of a brick building, approximately 50-60 by 30 meters.
 2. Flower gardens
 3. Main internal asphalt road
 4. & 4a. Administration buildings, brick structures, are connected by a closed passageway. One of them (4) is two stories tall, and the other (4a) is three stories tall.
 5. Internal asphalt roads
 6. Radar repair workshop, built in 1961, is a one story, flat-roofed, concrete building, 70-80 by 20 by 7 meters, with numerous antennae on the roof.
 7. Assembly shop, the plant's most secret department, where radar sets and telephone exchanges are assembled. It is a large concrete structure approximately 200 by 50 by 8 meters.
 8. The Technical Department, the paint shop, civilian technical control, and Szerkesztoszeg in a two-story, concrete building.
 9. Prototype Department
 10. Two-story building with unknown function
 11. Toolmakers' shop in a two-story, concrete building
 12. Shop for thermal treatment of components. This department occupies only the first floor of the building.



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13. Guardhouse, a single-story, brick building
14. Tinsmith's shop, a two-story building
15. Presses shop, a single-story building
16. Galvanization shop, a single-story, concrete building
17. Machine shop in first and second stories, and part of the assembly shop on third and fourth floors of a concrete building, approximately 150 by 30 meters, with a flat roof
18. Electrical equipment repair and maintenance shop, a single-story concrete building
19. Foundry on the first floor and the assembly shop of electrical control instruments on the second floor of a concrete building
20. Department which produces plastic parts
21. Steam plant for central heating
22. Smoke stack, approximately 60 meters high, and illuminated at night by a red light
23. Transformer station
24. Parking lot
25. Warehouses
26. Wire fence.

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